

GW - 318

ENFORCMENT

DATE:

1988 - 1999



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

IN THE MATTER OF
RANDY KINNIBRUGH, dba
OK HOT OIL
Respondent.

COMPLIANCE ORDER
NM-OGA 00-1

**ADMINISTRATIVE ORDER REQUIRING COMPLIANCE
AND ASSESSING A CIVIL PENALTY**

Pursuant to the New Mexico Oil and Gas Act, N.M.S.A. 1978, Sections 70-2-1 through 70-2-38, as amended (the "OGA"), the Director of the Oil Conservation Division (OCD) issues this Compliance Order (Order) to Randy Kinnibrugh, dba OK Hot Oil Service, Inc. (OK), to enforce the OGA and the OCD Rules and to assess a civil penalty for violations of the Act and Rules.

FINDINGS

1. The OCD is an agency of the executive branch of the government of the State of New Mexico and is charged with administration and enforcement of the OGA and OCD Rules.
2. Randy Kinnibrugh is a resident of Artesia, Eddy County, New Mexico.
3. Randy Kinnibrugh owns and operates OK, which is located in Section 4, T6S, R2E, Eddy County, New Mexico.
4. On or about May 27, 1998, the OCD received information that on four (4) occasions OK had picked up waste from the sump of Drifters Car Wash located in Carlsbad, New Mexico.

5. On the first occasion, June 20, 1997, the waste was represented by OK as sand, rocks, mud and water originating at Old Loco Treating Plant and was delivered to Controlled Recovery Inc. (CRI), an OCD permitted surface waste management facility.

6. On the second occasion, January 2, 1998, the waste was represented by OK as "reverse pit mud/water" originating at the Phillips Petroleum Company (Phillips) State M lease and was delivered to CRI.

7. On the third occasion, March 3, 1998, the waste was represented by OK as "sand water" originating at the Phillips State M lease and was delivered to CRI.

8. On the fourth occasion, March 4, 1998, the waste was represented by OK as sand and water originating at the Phillips State M lease and was delivered to CRI.

9. On April 28, 1999, the OCD received notification from Phillips that no wastes from the Phillips State M lease were transported by OK to CRI on the above dates.

10. On June 10, 1999, Randy Kinnibrugh admitted to the OCD that OK had transported the car wash waste to CRI and had falsified the load waste receiving forms.

11. CRI is a surface waste management facility under the jurisdiction of the OCD pursuant to the OGA and permitted by the OCD pursuant to OCD Rule 711 (19 NMAC 15.I.711).

12. OK Hot Oil Service Yard located in Loco Hills, New Mexico is an oilfield service facility under the jurisdiction of the OCD pursuant to Water Quality Control Commission (WQCC) regulations (20 NMAC 6.2) and the WQCC delegation of authority to the OCD dated July 21, 1989.

13. Old Loco Treating Plant is an OCD permitted surface waste management facility.

14. Permitting of the OK Hot Oil Service Yard as an oilfield service facility is necessary and appropriate to eliminate the potential for future violations.

CONCLUSIONS

1. The OCD Director has jurisdiction over the parties and subject matter in this proceeding.

2. Randy Kinnibrugh and OK are "persons" as defined in OCD Rule 7(65) (19 NMAC 15.A 7(65)).

3. Randy Kinnibrugh has falsified paperwork and disposed of an unauthorized waste at a permitted waste management facility in violation of Section 70-2-31.B(2), NMSA 1978, as amended.

COMPLIANCE ORDER

Based on the foregoing findings and conclusions, the Respondent is hereby ordered to comply with the following:

1. Respondent must submit accurate load receipt tickets to the surface waste management facility for wastes delivered.

2. Respondent must correct previously falsified documents and file copies of the corrected documents with the OCD.

3. Respondent may transport and deliver to a permitted surface waste management facility only those wastes authorized by the facility's permit.

4. No later than thirty (30) days from receipt of this Order, Respondent must submit a Discharge Plan Application for the OK Hot Oil Service Yard located in Section 4, T6N, R2E, Eddy County, New Mexico.

CIVIL PENALTY

Sections 70-2-31.B and 74-6-10.1(A), NMSA 1978, authorize the assessment of civil penalties of up to one thousand dollars (\$1,000) per day per violation of the Oil and Gas Act and/or any rule or regulation adopted pursuant to that Act and fifteen thousand dollars (\$15,000) per day per violation of the Water Quality Act and/or any rule or regulation adopted pursuant to that Act. Taking into consideration mitigating and other factors, OCD hereby assesses a civil penalty of two thousand dollars (\$2,000.00).

The civil penalty shall be paid within sixty (60) days of receipt of this Order by certified or cashier's check made payable to the "New Mexico Oil Conservation Division" and mailed or hand-delivered to the Oil Conservation Division, Attention: Rand Carroll, Legal Counsel, 2040 S. Pacheco, Santa Fe, New Mexico 87505.

RIGHT TO REQUEST A HEARING

Under OCD Rule 1203, the Respondent has the right to submit a written request for hearing to the OCD within thirty (30) days of receipt of this Order. The procedures in OCD Rules 1201 to 1223 shall govern hearing and pre-hearing procedures.

FINALITY OF ORDER

This Order shall become final unless the Respondent files a Request for Hearing with the OCD within thirty (30) days of receipt of this Order.

SETTLEMENT CONFERENCE

Whether or not the Respondent requests a hearing, the Respondent may confer with the OCD concerning settlement. The OCD encourages settlement consistent with the provisions and objectives of the Act and OCD Rules. Settlement discussions do not extend the thirty (30) day deadline for filing a Request for Hearing, or alter the deadlines for compliance with this Order.

Settlement discussions may be pursued as an alternative to and simultaneously with the hearing proceedings. The Respondent may appear at the settlement conference itself and/or be represented by legal counsel.

Any settlement reached by the parties shall be finalized by a Settlement Agreement approved by the Director, or, if a Request for Hearing is filed, a Stipulated Final Order approved by the Director. A Settlement Agreement or Stipulated Final Order shall be final and binding on all parties, and shall not be appealable.

To explore the possibility of settlement in this matter, contact the Division Legal Counsel Rand Carroll, New Mexico Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505; Phone number (505) 827-8156.

Compliance with the requirements of this Order does not relieve the Respondent of the obligation to comply with all other applicable laws and regulations.

9-28-99
DATE

By Lori Wrottenbery
LORI WROTENBERY, Director

CERTIFICATE OF SERVICE

The undersigned hereby certifies that the original of the foregoing Administrative Order Requiring Compliance and Assessing a Civil Penalty was served by first-class mail, return-receipt requested on Randy Kinnibrugh, P.O. Box 146, Loco Hills, New Mexico, 88255, on this 28 day of Sept, 1999.

Roger Anderson

To: David

From: Wayne

David please find attached the file of OK Hot Oil Compliance Order for your reference.
Roger is thinking of two Compliance issues:

1. Submitting false paper work
2. Disposing of un-authorized waste and failing to perform testing.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 26, 2000

To: OK Hot Oil Compliance Order File NM-OGA00-1

From: Wayne Price-OCD Environmental Bureau

Subject: Payment of Fine

Attached is EMNRD documentation showing Ok Hot Oil paid a \$2,000.00 fine.

OK Hot Oil Co has fulfilled their requirement #4 of the Compliance Order. The Service Co. yard has applied for and received approval of a Discharge Plan # GW-318.

ACTION: R SCREEN: OLGL USERID: afin 07/26/00 10:16:42 AM

ONLINE GENERAL LEDGER INQUIRY (1 OF 2)

FY= 00 FUND= 311 AGENCY= 521 ORG= 2501 ACTV=
FUNC= OBJ/REV= 9990 BS ACCT= AT= 31 SUB-ORG=
SUB-OBJ/SUB-REV= JOB NUMBER= REPT CAT=

| TRANS DATE | FM TRANSACTION ID | VENDOR | NAME | DESCR/VI | AMOUNT |
|-------------|-------------------|--------|------|----------|------------|
| 01-00 04 14 | 10 CR 105456 | | | | -36,577.00 |
| 02-99 11 16 | 05 CR 104618 | | | | -2,000.00 |
| 03-99 10 13 | 04 CR 104454 | | | | -7,500.00 |
| 04-99 08 17 | 02 CR 104192 | | | | -20,396.46 |
| 05- | | | | | |
| 05-*L009 | HEADER CHANGE | | | | |

Wayne - Joe
Moulton brought
me this paperwork
re the \$2000⁰⁰
fine
Ryn

| | | | | |
|-----------------|--|--|-------|---------------|
| 60 | | | | |
| 60 | | | | |
| 60 | | | | |
| 1040232DL TOTAL | | | 10.00 | |
| | | | | By <u>JUS</u> |

| ENERGY, MINERALS AND NATURAL RESOURCES DEPT. 95-52125 | | | | NO. 104618 | |
|--|------------------|------------------|---------------------------------|-------------------|-------------------|
| Official Receipt | | | Date: <u>11/16</u> 19 <u>99</u> | | |
| Received from: <u>ROCK HOT OIL SERVICE</u> | | | Dollar Amount <u>2,000.00</u> | | |
| DR CR | AMOUNT NUMBER | CENTER NUMBER | CREDIT AMOUNT | DEPOSIT NUMBER | WORK ORDER NO. |
| 60 | 4290 | | | | |
| 60 | 4291 | | | | |
| 60 | 3450 | | | | |
| 60 | 3451 | | | | |
| 60 | 3410 | | | | |
| 60 | 4210 | | | | |
| 60 | 4240 | | | | |
| 60 | 9490 | 2501 | 2,000.00 | 469687 | |
| 60 | | | | | |
| 60 | | | | | |
| 60 | | | | | |
| 10406A 001 TOTAL | | | 2,000.00 | | |
| | | | | By <u>JUS</u> | |



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Roger Anderson



Office and shop- looking south



Inside shop area



Shop- looking SE



Floor drain for waste oil goes to below-grade waste oil tank.



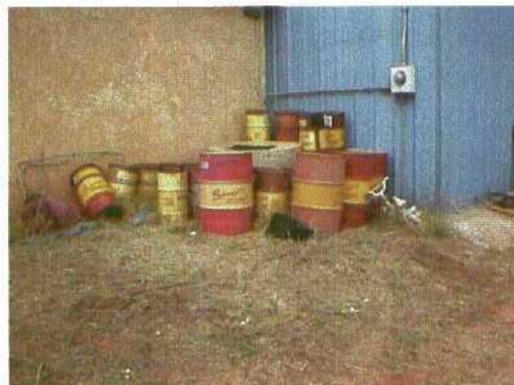
Yard area in between the shop and highway- Looking east- background shows fuel tanks and residence which has water well.



Wash bay-looking south. Wash bay has sump and drain going to below-grade waste water tank.



Wash bay sump-looking east sump drains to below grade tank shown in background. Below-grade tank does not have secondary containment.



Empty drum storage.



Waste oil tank pipe.



Below-grade waste oil tank drain pipe sticking up from tank. Tank has no secondary containment.



old below-grade tank-not used, has no secondary containment.



Contaminated oily soil



Chemical and KCL mixing station.



Old water well house east of yard.



Raw water Tank. Water from on-site water well.



Actual water well.



Back yard area.



Drum storage east of shop.

OK HOT OIL SERVICE COMPANY GW-318
LOCO HILLS, NM NE/4 SEC 29-TS17S-R29E
DATE JULY 16, 1999 PICTURES BY WAYNE PRICE
Page 4



Fuel tanks east side of yard.

PENALTY COMPUTATION WORKSHEET

Company Name OK Hot Oil

Address _____

Violation False paperwork

PENALTY AMOUNT FOR COMPLAINT

1. Potential for harm Minor
 Extent of Deviation Major 1st offense
2. Gravity based penalty from matrix 500
3. Multiply line 2 by number of violations and/or days
 of violation minus 1 (or other number, as appropriate.
 Provide narrative explanation)..... 4 violations 3x 1500
4. Add lines 2 and 3 2000
5. Percent increase/decrease for good faith -50
6. Percent increase for willfulness/negligence +50
7. Percent increase for history of noncompliance _____
8. Percent increase/decrease for other unique factors _____
9. Total lines 5 through 8 0
10. Multiply line 4 by line 9
11. Add lines 4 and 10 for penalty amount 2000
12. Adjustment amount for environmental project
13. Subtract line 12 from line 11 **final penalty amount.** 2000

This procedure should be repeated for each violation.

NARRATIVE EXPLANATION

1. Gravity Based Penalty

(a) Potential for Harm (attach additional sheets if necessary) *Waste was disposed in an authorized facility*

(b) Extent of Deviation (attach additional sheets if necessary) *OK hot oil submitted false paperwork to disposal facility indicating waste was exempt oilfield waste. Facility accepted waste, violating their permit conditions that prohibits them from accepting non oilfield wastes*

(c) Multiple/Multi-day (attach additional sheets if necessary) *Violations occurred on four separate occasions*

2. Adjustment Factors (Good faith, willfulness/negligence, history of compliance, ability to pay, environmental credits, and other unique factors must be justified, if applied.)

(a) Good Faith (attach additional sheets if necessary) *Respondent willingly admitted wrong doing. He*

(b) Willfulness (attach additional sheets if necessary) *Respondent admitted requiring the false paperwork was a violation at the time it was done*

(c) History of compliance (attach additional sheets if necessary) 710 past
history of non-compliance

(d) Environmental project (attach additional sheets if necessary)

(e) Other unique factors (attach additional sheets if necessary)

4. Recalculation of penalty based on new information (attach additional sheets if necessary)



PHILLIPS PETROLEUM COMPANY

4001 PENBROOK
ODESSA, TEXAS 79762

EXPLORATION AND PRODUCTION
Southwest Region

April 28, 1999

Wayne Price
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

30

Re: Waste Disposal Issue

Dear Mr. Price:

On February 17, 1999 this office received your fax transmittal copies of 3 disposal tickets from Controlled Recovery, Inc. These tickets reflected waste disposals from the Phillips State M Lease on the following dates:

- January 2, 1998
- March 3, 1998
- March 4, 1998

From a review of Phillips electronic invoice images system (Dataplex), no corresponding information was found to confirm the waste disposal reflected on these tickets. This review was done at your request, and we do not guarantee its accuracy.

If you have any further questions concerning this matter, please feel free to contact me at this office.

Sincerely,

Sam E. Christy
Safety & Environmental Analyst

OIL CONSERVATION DIVISION

**2040 South Pacheco
Santa Fe, NM 87505
(505) 827-7133
Fax: (505) 827-8177**



(PLEASE DELIVER THIS FAX)

To: SAM CHRISTY ⁰¹ FAX 915-368-1570

From: WAYNE PRICE

Date: 2/16/79

Message: PLEASE VERIFY THESE TRANSACTIONS!

4 ps's INCL COVER

**If you have any trouble receiving this, please call:
(505) 827-7133**

1/2/78 }
3/4/78 }
3/6/78 }



PHILLIPS PETROLEUM COMPANY

4001 PENBROOK

ODESSA, TEXAS 79762

FACSIMILE COVER SHEET

DATE: 4-28-99

TO: Wayne Price

LOCATION: NMOC D - Santa Fe

FROM: Sam Christy

LOCATION: PPCo - Odessa

TOTAL PAGES TRANSMITTED (INCLUDING THIS COVER SHEET)

2

PLEASE CALL (915) 368-1620, IF TRANSMISSION PROBLEM

COMMENTS: Finally! The original is
in the mail.

**PHILLIPS PETROLEUM COMPANY**4001 FENBROOK
ODESSA, TEXAS 79762EXPLORATION AND PRODUCTION
Southwest Region

April 28, 1999

Wayne Price
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

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If you have any further questions concerning this matter, please feel free to contact me at this office.

Sincerely,

A handwritten signature in black ink, appearing to read "S.E. Christy".

Sam E. Christy
Safety & Environmental Analyst

Kieling, Martyne

From: Price, Wayne
Sent: Thursday, June 18, 1998 9:47 AM
To: Roger Anderson; Martyne Kieling
Cc: Chris Williams
Subject: CRI- Hot oil non-oilfield waste issue.

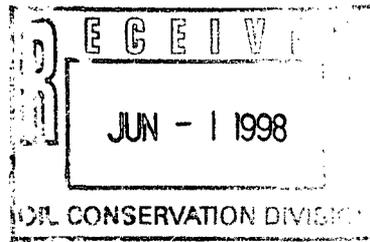
Dear Team:

Mr. Marsh called and expressed his concern about this issue and wanted to know what progress has been made. I advised him to contact you.

cc: Ken Marsh

Price, Wayne

From: Price, Wayne
Sent: Thursday, May 28, 1998 4:04 PM
To: Martyne Kieling
Cc: Chris Williams; Roger Anderson
Subject: Non-oilfield waste being sent to CRI



Dear Martyne:

Please find attached Wang Imaging file called CRIhotoil. This is a letter we sent to CRI requesting information. Ken Marsh has discovered that a transport company called OK Hot Oil Service out of Loco Hills (NMOCD District II) is picking up non-oilfield waste in Carlsbad NM i.e. car washes, etc and then re-naming it as E&P waste from oil field production sites.

Mr. Marsh has provided us Invoices that reflect this to be true.

Mr. Marsh is requesting to remain anonymous concerning how the NMOCD became aware of this. We are honoring his request at the District Level.

I will drop in the mail today all of the information we have as of to date.

After your review please inform us on how we can assist in this investigation.



crihotoil.tif.tiff

HOT OIL SERVICE INC
P.O. BOX 146 677-2262
LOCO HILLS, NM 88255

INVOICE

Invoice Number: 012156

Invoice Date: 02/18/97

Page: 1

Sold QUEEN OIL & GAS
To: P.O. BOX 388
ARTESIA, NEW MEXICO
88210

Ship QUEEN OIL & GAS
To: P.O. BOX 388
ARTESIA, NEW MEXICO
88210

Ship Via: DRIFTERS CAR WASH
Ship Date: 02/18/97
Due Date: 02/18/97
Terms: NET 30

Cust I.D.: QUEEN
P.O. Number:
P.O. Date: 02/17/97
Job/Order No.: 1322
Salesperson: V.T. #70

Item I.D./Desc.

Price

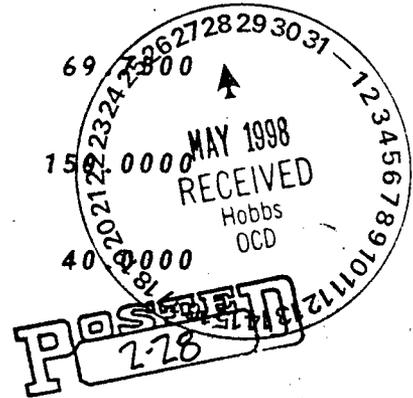
EMPTIED AND CLEANED SUMPS, HAULED 50
BBLs. TO CRI DISPOSAL.
4 AND HALF HOURS @ 54.00

243.0000

HELPER 4 AND HALF HOURS @ 15.50

50 BARRELS DISPOSAL CHARGE @ 3.00

WASHED OUT TRUCK



5211

OK R. Hunt
2-3 car washes

70362-11

Subtotal: 502.75
Tax: 28.28
Total: 531.03

CONTROLLED RECOVERY INC.

P.O. BOX 369 • HOBBS, NEW MEXICO 88241
(505) 393-1079

Bill To: _____

Address: _____

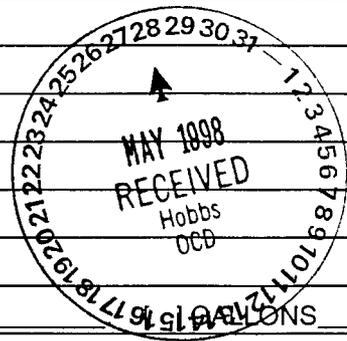
COMPANY/GENERATOR: O.K. Hot Oil
 LEASE NAME: Old Loco
 TRUCKING COMPANY: O.K. Hot oil service TIME: 10:15 AM/PM
 DATE: 2-17-97 VEHICLE No.: 72 DRIVER No.: _____

TYPE OF MATERIAL

- | | | |
|--|--|---|
| <input type="checkbox"/> DRILLING FLUIDS | <input type="checkbox"/> TANK BOTTOMS | <input type="checkbox"/> EXEMPT FLUIDS |
| <input type="checkbox"/> COMPLETION FLUIDS | <input type="checkbox"/> GAS PLANT WASTE | <input type="checkbox"/> C-117 No.: <u>A10066</u> |
| <input type="checkbox"/> CONTAMINATED SOIL | <input checked="" type="checkbox"/> OTHER MATERIAL | <input checked="" type="checkbox"/> Pit No.: <u>South Pit</u> |

DESCRIPTION

Nasty ~~water~~ Water



VOLUME OF MATERIAL BBLs _____ : YARD _____

- WASH OUT CALL OUT AFTER HOURS DEBRIS CHARGE

I, represent and warrant that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C Regulations; and not mixed with non-exempt wastes.

AGENT: Michael Otley
(SIGNATURE)
 CRI REPRESENTATIVE: Jeremy A. Worden
(SIGNATURE)

| TANK NO. | | | | OFFICE USE: | |
|-------------------|-----------|--------|------------|-------------|-------|
| OIL LEVELS | FEET | INCHES | GROSS BBLs | DEDUCTIONS | |
| 1ST GAUGE | | | | NET BBLs | |
| 2ND GAUGE | | | | | |
| MEASURE RECEIVED | | | | | |
| BS & W <u>100</u> | | % | <u>10</u> | | |
| FREE WATER | <u>40</u> | BBLs | <u>50</u> | | 24066 |

CONTROLLED RECOVER INC
P.O. BOX 369
HOBBS, NM 88241

* I N V O I C E *

Invoice Number: 003299

Invoice Date: 02/18/97

Page: 1

OK HOT OIL
P.O. BOX 146
LOCO HILLS, NM
88255

OK HOT OIL
OLD LOCO

Cust I.D.....: OK400

Ship Via.: OK HOT OIL V-72
Ship Date: 02/17/97
Due Date.: 03/20/97
Terms.....: 30 days net

| Item I.D./Desc. | Shipped | Unit | Price | Net | T |
|-------------------------|---------|------|---------|--------|---|
| WASH OUT 24066 | 1.00 | | 40.0000 | 40.00 | |
| SPECIAL FLUIDS 24066 | 50.00 | | 2.5000 | 125.00 | |



WE APPRECIATE YOUR BUSINESS !

Subtotal: 165.00
Tax.....: 9.90
Total....: 174.90

OK HOT OIL SERVICE INC.

P.O. BOX 146 677-2262
LOCO HILLS, NM 88255

7-2ck# 11757

* I N V O I C E *

Invoice Number: 015688

Invoice Date: 06/23/97

Page: 1

~~Sold QUEEN OIL & GAS
To: P.O. BOX 388
ARTESIA, NEW MEXICO
88210~~

Ship QUEEN OIL & GAS
To: P.O. BOX 388
ARTESIA, NEW MEXICO
88210

Ship Via.: DRIFTERS CONVENIENCE STORE
Ship Date: 06/23/97
Due Date.: 06/23/97
Terms.....: NET 30

Cust I.D.....: QUEEN
P.O. Number...:
P.O. Date.....: 06/20/97
Job/Order No.: 4450
Salesperson..: V.T. #70

D3
Carwash

Item I.D./Desc.

Price

EMPTIED AND CLEANED SUMP, HAULED 55 BBL.
TO CRI, WASHED OUT TRUCK.
5 AND HALF HRS. @54.00

297.0000

HELPER-5 AND HALF HRS. @15.50

85.2500

55 BARRELS DISPOSAL CHARGE @3.00

165.0000

Ram



15375/6670 02

Subtotal: 547.25
Tax.....: 30.78
Total....: 578.03

CONTROLLED RECOVERY INC.

P.O. BOX 369 • HOBBS, NEW MEXICO 88241
(505) 393-1079

Bill To: _____
Address: _____

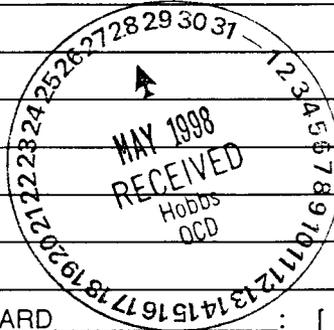
COMPANY/GENERATOR: OK. Hot oil Ser.
LEASE NAME: Old Loco
TRUCKING COMPANY: OK. Hot oil TIME: 10:00-17:35 (AM/PM)
DATE: 6-20-97 VEHICLE No.: 72 DRIVER No.: _____

TYPE OF MATERIAL

- | | | |
|--|--|--|
| <input type="checkbox"/> DRILLING FLUIDS | <input type="checkbox"/> TANK BOTTOMS | <input type="checkbox"/> EXEMPT FLUIDS |
| <input type="checkbox"/> COMPLETION FLUIDS | <input type="checkbox"/> GAS PLANT WASTE | <input checked="" type="checkbox"/> C-117 No.: <u>A-1013</u> |
| <input type="checkbox"/> CONTAMINATED SOIL | <input checked="" type="checkbox"/> OTHER MATERIAL | <input checked="" type="checkbox"/> Pit No.: <u>12</u> |

DESCRIPTION

Sand Rocks mud + Oil



VOLUME OF MATERIAL BBLs. 65 : [] YARD : [] GALLONS

WASH OUT X 3 [] CALL OUT [] AFTER HOURS [] DEBRIS CHARGE

I, represent and warrant that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C Regulations; and not mixed with non-exempt wastes.

AGENT: Michael Btley
(SIGNATURE)

CRI REPRESENTATIVE: Bill Williams
(SIGNATURE)

| TANK NO. | | | | OFFICE USE: | |
|------------------|------|--------|------------|-------------|--|
| OIL LEVELS | FEET | INCHES | GROSS BBLs | DEDUCTIONS | |
| 1ST GAUGE | | | | NET BBLs | |
| 2ND GAUGE | | | | | |
| MEASURE RECEIVED | | | | | |
| BS & W | | % | | | |
| FREE WATER | | | BBLs | | |

No 25060

CONTROLLED RECOVERY, INC
P.O. BOX 369
HOBBS, NM 88241

* I N V O I C E *

Invoice Number: 003802

Invoice Date: 06/23/97

Page: 1

OK HOT OIL
P.O. BOX 146
LOCO HILLS, NM
88255

OK HOT OIL
OLD LOCO

Cust I.D.....: OK400

Ship Via.: OK HOT OIL
Ship Date: 06/20/97
Due Date.: 07/23/97
Terms.....: 30 days net

| Item I.D./Desc. | Shipped | Unit | Price | Net | TX |
|-------------------------|---------|------|---------|--------|----|
| SPECIAL FLUIDS 25060 | 65.00 | | 2.5000 | 162.50 | T |
| WASH OUT 25060 | 3.00 | | 40.0000 | 120.00 | T |



WE APPRECIATE YOUR BUSINESS !

Subtotal: 282.50
Tax.....: 16.95
Total....: 299.45

OK HOT OIL SERVICE INC.

P.O. BOX 146 677-2262
 LOCO HILLS, NM 88255

1-21 ck # 14017

 * INVOICE *

Document Number: 021355

Document Date: 01/05/98

Page: 1

Sold QUEEN OIL & GAS
 To: P.O. BOX 388
 ARTESIA, NEW MEXICO
 88210

Ship QUEEN OIL & GAS
 To: P.O. BOX 388
 ARTESIA, NEW MEXICO
 88210

Ship Via.: DRIFTERS CAR WASH-CARLSBAD
 Ship Date: 01/05/98
 Due Date.: 01/05/98
 Terms.....: NET 30

Cust I.D.....: QUEEN
 P.O. Number...:
 P.O. Date.....: 01/02/98
 Job/Order No.: 147
 Salesperson...: V.T. #65

| Item I.D./Desc. | Ordered | Shipped | Unit | Price | Net | TX |
|---|---------|---------|------|-------|--------|----|
| PULLED 90 BBLs. MUD OFF 150 BBL. SUMP, TOOK TO CRI IN HOBBS. 6 HRS. @ 54.00 | | | | | 324.00 | T |
| HELPER 6 HRS. @ 15.50 | | | | | 93.00 | T |
| 90 BARRELS DISPOSAL CHARGE @ 3.00 | | | | | 270.00 | T |
| WASH OUT TRUCK | | | | | 100.00 | T |



*2 TRIPS
 Average 578⁰⁰ Trip*

137, 300

1200 GAL TANK

*#3 CW
 15325 / 67002*

ALLEN

Subtotal: 787.00
 Tax.....: 44.27
 Total....: 831.27

45 BBLs CRI

CONTROLLED RECOVERY INC.

P. O. BOX 369 • HOBBS, NEW MEXICO 88241

(505) 393-1079

Bill To: _____

Address: _____

COMPANY/GENERATOR: _____

LEASE NAME: State M Phillips

TRUCKING COMPANY: OK TIME: 1005 1030 AM - PM

DATE: 1 2 98 VEHICLE No.: 65 DRIVER No.: _____

TYPE OF MATERIAL

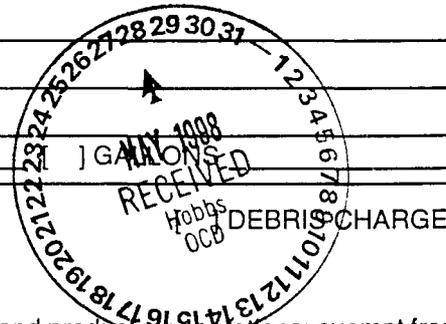
- | | | |
|---|--|--|
| <input type="checkbox"/> DRILLING FLUIDS | <input type="checkbox"/> TANK BOTTOMS | <input type="checkbox"/> EXEMPT FLUIDS |
| <input checked="" type="checkbox"/> COMPLETION FLUIDS | <input type="checkbox"/> GAS PLANT WASTE | <input type="checkbox"/> C-117 No.: _____ |
| <input type="checkbox"/> CONTAMINATED SOIL | <input checked="" type="checkbox"/> OTHER MATERIAL | <input type="checkbox"/> Pit No.: <u>D, 2P</u> |

DESCRIPTION

Reverse Pit Mud/Water

VOLUME OF MATERIAL BBLs. 45 : YARD _____

WASH OUT CALL OUT AFTER HOURS



I, represent and warrant that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recovery Act (RCRA) Subtitle C Regulations; and not mixed with non-exempt wastes.

AGENT: Don Anderson
(SIGNATURE)

CRI REPRESENTATIVE: _____
(SIGNATURE)

TANK NO. _____

OFFICE USE: _____

| OIL LEVELS | FEET | INCHES | GROSS BBLs. | DEDUCTIONS | |
|------------------|------|--------|-------------|------------|--|
| 1ST GAUGE | | | | NET BBLs. | |
| 2ND GAUGE | | | | | |
| MEASURE RECEIVED | | | | | |
| BS&W | | % | | | |
| FREE WATER | | BBLs. | | | |

No 026330

White - CRI

Canary - CRI Accounting

Pink - CRI Plant

Gold - Transporter

CONTROLLED RECOVERY, INC
P.O. BOX 369
HOBBS, NM 88241

*
* I N V O I C E *
*

Invoice Number: 004611

Invoice Date: 01/12/98

Page: 1

OK HOT OIL
P.O. BOX 146
LOCO HILLS, NM
88255

PHILLIPS
STATE M

Cust I.D.....: OK400

Ship Via.: OK HOT OIL V-65
Ship Date: 01/02/98
Due Date.: 02/11/98
Terms.....: 30 days net

| Item I.D./Desc. | Shipped | Unit | Price | Net | TX |
|-------------------------|---------|------|---------|--------|----|
| SPECIAL FLUIDS 26330 | 45.00 | | 3.2500 | 146.25 | E |
| WASH OUT 26330 | 1.00 | | 50.0000 | 50.00 | E |

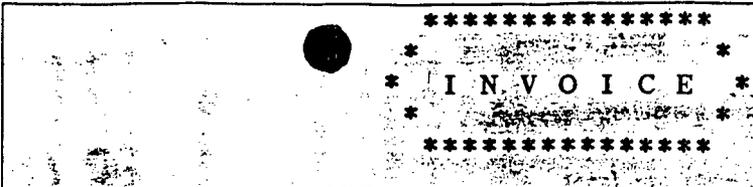


WE APPRECIATE YOUR BUSINESS !

Subtotal: 196.25
Tax.....: 0.00
Total....: 196.25

OK HOT OIL SERVICE INC.

P.O. BOX 146 677-2262
LOCO HILLS, NM 88255



Document Number: 023037

Document Date: 03/04/98

Page: 1

Sold QUEEN OIL & GAS
To: P.O. BOX 388
ARTESIA, NEW MEXICO
88210
Asford

Ship QUEEN OIL & GAS
To: P.O. BOX 388
ARTESIA, NEW MEXICO
88210

Ship Via.: DRIFTERS CAR WASH
Ship Date: 03/04/98
Due Date.: 03/04/98
Terms.....: NET 30
Cust I.D.....: QUEEN
P.O. Number...:
P.O. Date.....: 03/03/98
Job/Order No.: 1951
Salesperson...: V.T. #70

| Item I.D./Desc. | Ordered | Shipped | Unit | Price | Net | TX |
|--|---------|---------|------|-------|--------|----|
| CLEANED DRAIN TANK, TOOK 70 BBLs. TO THE DISPOSAL, WASHED OUT TRUCK AT CRI. 4 HRS. @ 54.00 | | | | | 216.00 | T |
| HELPER 4 HRS. @ 15.50 | | | | | 62.00 | T |
| 70 BARRELS DISPOSAL CHARGE @ 3.00 | | | | | 210.00 | T |
| WASHED OUT TRUCK AT CRI @ 50.00 | | | | | 50.00 | T |



By

15325 / 6670

#3

Subtotal: 538.00
Tax.....: 30.26
Total....: 568.26

45 BBLs

CONTROLLED RECOVERY INC.

P. O. BOX 369 • HOBBS, NEW MEXICO 88241
(505) 393-1079

Bill To: _____

Address: _____

COMPANY/GENERATOR: Phillips

LEASE NAME: State M.

TRUCKING COMPANY: O.K. TIME: 3:45 AM PM

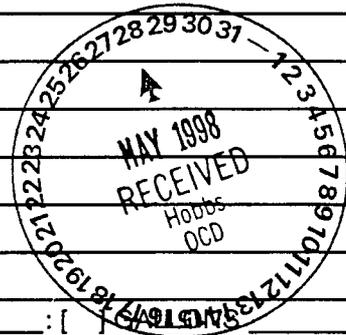
DATE: 3-3-98 VEHICLE No.: 72 DRIVER No.: _____

TYPE OF MATERIAL

- | | | |
|--|--|--|
| <input type="checkbox"/> DRILLING FLUIDS | <input type="checkbox"/> TANK BOTTOMS | <input type="checkbox"/> EXEMPT FLUIDS |
| <input type="checkbox"/> COMPLETION FLUIDS | <input type="checkbox"/> GAS PLANT WASTE | <input type="checkbox"/> C-117 No.: _____ |
| <input type="checkbox"/> CONTAMINATED SOIL | <input checked="" type="checkbox"/> OTHER MATERIAL | <input checked="" type="checkbox"/> Pit No.: <u>4 & Jp</u> |

DESCRIPTION

Sand water



VOLUME OF MATERIAL BBLs. 45 YARD _____

WASH OUT CALL OUT AFTER HOURS DEBRIS CHARGE

I, represent and warrant that the wastes are: generated from oil and gas exploration and production operations; exempt from Resource Conservation and Recover Act (RCRA) Subtitle C Regulations; and not mixed with non-exempt wastes.

AGENT: [Signature]
(SIGNATURE)

CRI REPRESENTATIVE: [Signature]
(SIGNATURE)

| TANK NO. | | | | OFFICE USE: | |
|------------------|------|--------|-------------|-------------|--|
| OIL LEVELS | FEET | INCHES | GROSS BBLs. | DEDUCTIONS | |
| 1ST GAUGE | | | | NET BBLs. | |
| 2ND GAUGE | | | | | |
| MEASURE RECEIVED | | | | | |
| BS& W | | % | | | |
| FREE WATER | | BBLs. | | | |

Nº 026683

1-98-500-4pt-26501

CONTROLLED RECOVERY, INC
P.O. BOX 369
HOBBS, NM 88241

* INVOICE *

Invoice Number: 004867

Invoice Date: 03/05/98

Page: 1

OK HOT OIL
P.O. BOX 146
LOCO HILLS, NM
88255

PHILLIPS
STATE M

Cust I.D.....: OK400

Ship Via.: OK HOT OIL SERVICE V-72
Ship Date: 03/03/98
Due Date.: 04/04/98
Terms.....: 30 days net

| Item I.D./Desc. | Shipped | Unit | Price | Net | TX |
|-------------------------|---------|------|---------|--------|----|
| SPECIAL FLUIDS 26683 | 45.00 | | 3.2500 | 146.25 | E |
| WASH OUT 26683 | 1.00 | | 50.0000 | 50.00 | E |



WE APPRECIATE YOUR BUSINESS !

Subtotal: 196.25
Tax.....: 0.00
Total....: 196.25